

Intermountain Health Care joins new hospital group

A new multi-hospital group that is believed to be now the largest system of non-profit hospitals in the nation, was formed Wednesday in Denver after two established multi-hospital organizations, one of which includes on its roster the Salt Lake City-based Intermountain Health Care, voted to merge.

The new entity, American Healthcare Systems, brings together 26 multi-institutional hospital groups which, prior to the merger, belonged to the Associated Health Systems of Phoenix, Ariz., which included the Utah-based group, and United Healthcare Systems of Kansas City, Mo.

The new national network consists of 233 hospitals with 45,000 beds in 21 states whose combined annual revenues total nearly \$6 billion.

Joan Clissold, assistant to Intermountain Health Care President Scott S. Parker, said the merger is an exten-

sion of the multi-hospital system concept. "It started out as first small hospitals merging and now systems are getting together with other systems," she said. The purpose is to enhance cost effectiveness.

Parker was in Denver Wednesday and unavailable for comment.

Charles M. Ewell, named the first president of the American Healthcare Systems, said at a Denver news conference held in conjunction with the American Hospital Association convention there, that the merger "will make our shareholders even more competitive with large, for-profit chains without losing their identity as community hospitals."

Ewell is a former national director of Arthur Young & Co.'s health-care practice.

Ewell said that American Healthcare Systems represents the future, and the new emphasis on cost contain-



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ment, as far as the hospital industry is concerned.

"By taking full advantage of the economies of scale possible on a national basis and by creating new for-profit businesses, we will help our shareholder systems hold the line on costs while developing fresh capital sources that assure continued growth."

Health-care in the United States is

now nearly a \$400 billion-a-year business, with hospital services currently accounting for 45 percent of those outlays. "Hospitals are being told to take most of the line-holding burden," Ewell said. "Clearly, hospitals must be prepared to do more than just survive in such a pressure cooker."

Samuel J. Tibbitts, president of Lutheran Hospital Society of Southern California, who serves as chairman of the newly merged group, said innovative ways of containing health costs can occur outside the government arena.

"And, as such programs evolve, most of the hospitals in the nation will be part of 15 to 20 vast health-care companies much like American Healthcare Systems."

American Healthcare Systems is expected to range far beyond the limited information exchanges of some hospital alliances. Four affiliated

groups have been formed to provide services nationally, to develop allied profit-making businesses and to represent this powerful group of not-for-profit hospitals in Washington, D.C.

Nationwide businesses being contemplated may well reach outside the traditional hospital setting. These include a national health-care company, clinical reference laboratories, real estate businesses, freestanding emergency and surgical centers and ambulatory patient units.

American Healthcare Systems also expects to take part in or create large hospital maintenance organizations (HMOs) and preferred provider organizations (PPOs). The holding company for the Lutheran Hospital Society of Southern California already operates an HMO with some 90,000 members in California.

In the area of hospital financing, municipal underwriters already are

scheduling tax-exempt, multi-hospital bond offerings. Being seriously considered is the use of short-term securities such as commercial paper, revenues, and bond anticipation notes. And a growing equities market is being created for health-care companies going public at a rising rate.

"We are going to support our shareholders by introducing them to new kinds of services and new types of businesses," Ewell said. "A good many already have developed alternative services outside their hospital settings. In many cases, more than a third of total revenues derive from these outside sources."

To become an institutional shareholder of American Healthcare Systems, groups must have at least two hospital members, \$100 million in annual revenues and an established corporate office outside the hospitals.

County planners to allow housing projects, expansions

Several large housing projects were given final approval Tuesday by the Salt Lake County Planning Commission. Also, the commission made decisions that will allow several businesses to expand.

The housing projects approved include:

- A 99-unit condominium project in Taylorsville called Crosspoint, being built by Millstream Associates. The project is expected to eventually have 400 units and is located across the street from Millstream's San Francisco project at 5440 S. 15th West.

- A 32-unit apartment complex be-

ing built by Gold Hill Inc. in Taylorsville at 5200 S. 36th West. Only a portion of the originally proposed 132-unit complex was approved. Developers and county planners plan to work out problems with details of the rest of the project.

- A 96-unit apartment complex in Granite Park at 3950 W. Seventh West, being built by Daniel S. Mehr. Mehr said the project is designed to have large two- and three-bedroom units to appeal to larger families.

- A 35-unit development of detached family units, proposed by Jeffery Jonas, received preliminary ap-

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proval but will be subject to further review.

The commission also delayed approval of two additional large housing complexes. It is expected to decide on Aug. 28 whether to approve a 352-unit condominium complex in Union at 7433 S. Ninth East and a 19-unit dwelling group at 3775 S. Ninth East.

The commission also delayed a decision for two weeks on whether to

approve rezoning 28.5 acres in Kearns to allow a controversial proposed 200-unit mobile home park. Some neighbors oppose that project, while mobile home owners say it is needed because existing parks are nearly full and therefore exploit customers.

The commission also made decisions that will allow some businesses to expand, including:

- Approving an expansion of about

7,000 square feet to a Grand Central Store at 1385 E. 56th South. Neighbors had opposed the expansion, saying it would force parking and delivery trucks closer to their property. Plans were redrawn, however, and the commission approved a scaled-down version of the expansion.

- Approving a three-bay car wash in East Mill Creek at 3988 S. 27th East.

- Approving rezoning at 1030 East 33rd South to allow expansion of a nursery owned by Marvin Goldberg.

- Approving rezoning the old Highland Drive-in Theater, 3670 S. Highland Drive, from a commercial to a

residential area. A condominium project is being built at the site by McKellar Development of La Jolla, and planners required the downzoning to reflect its actual use.

The commission is also expected to decide in two weeks on a rezoning request that would allow Burton Lumber in Kearns at 3875 W. 47th South to expand its parking and lumber supply areas into what is now residentially zoned land.

It is also considering a rezoning request that would allow an upholstery service and furniture factory at 150 W. Plymouth Ave. in Granite Park.

Justices say employee injured going to training can get benefits

An employee who is injured while on his way to a job while driving to Salt Lake City from his home in

State approves earnest-money form

A new earnest-money sales agreement form designed to benefit homebuyers and contractors has been given state approval.

mission chairman, said that although the Utah Code clearly requires the use of approved forms, there has been no form until now that addresses the earnest-money issues